

Larry E. Craig, Chairman
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No. 35

Legislative Notice

Editor, Judy Gorman Prinkey

October 1, 1999

S. 82 — Air Transportation Improvement Act

Calendar No. 29

Reported from the Committee on Commerce, Science and Transportation on March 8, 1999, with an amendment in the nature of a substitute. S. Rept. 106-9. Additional views filed.

NOTEWORTHY

- By unanimous consent, the Senate will consider the FAA reauthorization bill on Monday. Only "aviation related" amendments are in order to the bill.
- S. 82 is similar to the bill, S. 2279, which was passed by the Senate last year by a vote of 92-1. However, the House refused to appoint conferees and the bill died. Congress since then has been funding the Airport Improvement Program through short-term extensions.
- The bill reauthorizes the programs of the Federal Aviation Administration (FAA) through FY2000, including operations, facilities and equipment, and the Airport Improvement Program (AIP). It also includes funding for aviation safety and security improvements.
- In addition, the bill contains provisions to promote a competitive aviation industry, including the addition of slot exemptions at major airports in New York, Chicago and Washington, limited exemptions to the perimeter rule at Reagan National Airport, and increased air service to underserved small communities.
- The bill also includes provisions to curb the harmful effects of excessive commercial air tour overflights of national parks.
- Chairman McCain will offer a managers' amendment to reauthorize FAA programs through 2002. Senator Gorton will offer an amendment to change the slot provisions in the bill regarding airports in New York, Chicago, and Washington (Reagan National).
- The House passed a five-year FAA and Airport Improvement Program reauthorization bill on June 16 by a vote of 316-110 that contains controversial, off-budget treatment of the aviation trust fund.

BACKGROUND

S. 82 is similar to the bill, S. 2279, that was passed by the Senate on September 25, 1998. However, the House refused to appoint conferees and the bill died. Instead, Congress authorized a short-term extension of the Airport Improvement Program in the FY99 omnibus appropriation bill. (PL 105-277). Since then, the AIP has been operating under short-term extensions (in March, May and September). Without authorization, the AIP will expire, and airports will no longer be issued their federal grants. The bill establishes contract authority for the program so that the FAA can distribute airport grants.

Title VI addresses Committee concerns with the need to ensure that the airline industry remains competitive and that small communities receive air service. Title VII incorporates legislation to address air tour operations over our National Parks.

HIGHLIGHTS

- The bill reauthorizes the programs of the Federal Aviation Administration (FAA), through FY2000, including facilities and equipment, operations and the Airport Improvement Program (AIP).
- Approximately \$2 billion is authorized to be spent annually on safety and security improvements, as well as capacity enhancements. Included is a provision to authorize the FAA to carry out a project for testing and evaluation of innovative airport security systems.
- Titles I through IV of the bill reaffirm the commitment of the Committee to ensure that the United States continues to have the safest and most efficient air transportation system in the world. They reauthorize the major programs within the FAA, which are divided into operations, facilities and equipment, research, engineering and development, as well as the Airport Improvement Program (AIP).
- Title II amends various provisions of the Airport Improvement Program. It would remove the \$300 million "cap" on the discretionary fund, and an innovative airport funding program would be extended and expanded. Small airports would be allowed greater flexibility in the local matching share ratio so that local communities could contribute more toward a federally funded project. The set-aside for noise mitigation projects would be increased from 31 to 35 percent.
- Title V addresses Committee concerns with the need to ensure that the airline industry remains competitive and that small communities receive air service.
- Title VI incorporates legislation to address air tour operations over our national parks.

Key provisions include the following:

- Slot exemptions would be provided for nonstop regional jets to fly to and from so-called underserved communities and three of the four slot-controlled airports (O'Hare, LaGuardia, and JFK).
- At Reagan National Airport, DOT would grant limited exemptions to the perimeter rule by distributing 24 newly created slot exemptions for long-haul flights beyond the perimeter. Also, there would be 24 newly created slot exemptions for air service within the 1,250-mile perimeter, 12 of which would be reserved for commuter aircraft service to small and medium communities within the perimeter. Carriers can only use Stage-3 aircraft, which meet strict noise requirements, for any of the new operations at Reagan National.
- New slot exemptions (30) would be created at Chicago-O'Hare over the next three years. Before granting any of the exemptions, DOT is to consult with local officials, and to study and report on the environmental considerations, including a determination that there is no significant increase in noise.
- Additionally, the revised bill directs the Secretary to study and report on the community noise levels in the areas surrounding O'Hare, Reagan National, LaGuardia and JFK once the national 100-percent Stage-3 requirement comes into effect in 2000.
- A four-year pilot program would be created to help small communities attract improved air service. It is designed to facilitate incentives and projects that will help communities improve their air access to business markets, through public-private partnerships.
- Another four-year pilot program would be established to broaden federal contract tower program eligibility through a federal/local cost sharing partnership at certain airports not currently meeting the required benefit/cost ratio.
- Title V improves the state of competition in the airline industry and includes voluntary programs designed to improve small community air service. It would establish a four-year pilot program to improve access to airport facilities and would provide financial and technical assistance for up to 40 communities.
- Title VI contains the consensus legislation developed by Chairman McCain to regulate the overflight of national parks by air tour operators. The provisions affect only commercial air tour companies, which are already subject to federal aviation regulations

ADMINISTRATION POSITION

There was no Administration Position at press time.

OTHER VIEWS

Additional Views of Senator Lott:

"Last year, this [Commerce] committee and the full Senate overwhelmingly approved the Wendell H. Ford National Air Transportation System Improvement Act. This legislation included measures that made modest modifications at America's busiest airports including Reagan National Airport in the Washington area. These modifications promised to bring improved air service from our Nation's capital to small and under served communities."

"One of the big-ticket modifications of the Ford Act was an additional 24 flights to Reagan National Airport, 12 new daily flights dedicated to airports within the perimeter and an equal number would go to flights beyond the perimeter. This figure was agreed to by key members of the Senate, including the affected state, last summer. Unfortunately, the bill did not become law. . . ." This year, the Committee-reported bill increases the number of additional flights from 24 to 48, a change which has "seriously strained the delicate agreement on Reagan National slots from last year. . . Many members have expressed an interest in returning to last year's increase of 24. . . . After all, . . . ninety-two Senators voiced approval for this figure. If the Senate can come back to this original agreement, we can seek passage of S. 82 and focus our attention on other important aviation matters."

POSSIBLE AMENDMENTS

McCain. Manager's amendment. The amendment will extend the reauthorization for two more years (through FY 2002), increase the authorization level for facilities and equipment by \$500 million annually, and make various other changes.

Collins. Establish an independent commission to study the economic impact of airline deregulation on small town America (S. 1576).

Gorton/Rockefeller. Change the slot provisions in the bill for airports in New York, Chicago, and Washington (Reagan National will be changed to a total of 24, 12 inside the perimeter and 12 outside).

Robb. Reagan National Airport, slots and perimeter rule, probably to eliminate all the new slot exemptions at Reagan National.

McCain/Hollings et al. Add the Passenger Fairness Act, S. 383, as reported by the Commerce Committee, with some modifications.

Torricelli. Establish a demonstration program that will allow local officials to apply directly to the FAA for soundproofing dollars. FAA's Part 150 program allows airport operators to develop noise abatement programs, including the soundproofing of homes, using federal Airport Improvement Program (AIP) funds.

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